

ACCOUNTANCY EXAMINING BOARD[193A]

Adopted and Filed

Rule making related to CPA examinations

The Accountancy Examining Board hereby amends Chapter 3, "Certification of CPAs," Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is adopted under the authority provided in Iowa Code section 542.4.

State or Federal Law Implemented

This rule making implements, in whole or in part, Iowa Code chapter 542.

Purpose and Summary

The amendment to Chapter 3 reflects a change in the availability of the certified public accountant (CPA) examinations. Instead of examinations being available during four annual examination windows with dark periods during which the examinations are not available, the Board is permitted to make examinations available year-round.

Public Comment and Changes to Rule Making

Notice of Intended Action for this rule making was published in the Iowa Administrative Bulletin on June 19, 2019, as **ARC 4507C**. A public hearing was held on July 10, 2019, at 9 a.m. at the Professional Licensing Bureau Offices, 200 East Grand Avenue, Suite 350, Des Moines, Iowa. No one attended the public hearing.

Two public comments were received via email. Both comments expressed concern that the integrity of the examinations would be at risk if year-round testing was allowed. The executive officer of the Board replied with information from the test administrators that the examination item bank has grown to the point that it is highly unlikely a candidate will encounter the same items on repeat examinations, and blocking technology used on the examination prevents the candidate from seeing the same form of the examination in subsequent attempts of a section. Technology improvements have greatly reduced the time required to make updates to the examination in the test centers around the country and internationally.

No changes from the Notice have been made.

Adoption of Rule Making

This rule making was adopted by the Board on August 8, 2019.

Fiscal Impact

This rule making has no fiscal impact to the State of Iowa. No current fees are being changed, and no new fees are being imposed.

Jobs Impact

After analysis and review of this rule making, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Board for a waiver of the discretionary provisions, if any, pursuant to 193—Chapter 5.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rule making will become effective on October 16, 2019.

The following rule-making action is adopted:

Amend subrule 3.6(1) as follows:

3.6(1) Effective with the implementation of the computer-based examination, a candidate may take the required test subjects individually and in any order. Except as provided in rule 193A—3.7(542), credit for any subjects passed shall be valid for 18 months from the actual date the candidate sat for the subject, without the candidate's having to attain a minimum score on any failed subject(s) and without regard to whether the candidate sat for any other subjects. The candidate shall also be subject to the following:

a. The candidate must pass all four subjects of the examination within a rolling 18-month period that begins on the date that the first subject is passed. If all four subjects are not passed within the 18-month period, credit for any subject taken outside the 18-month period shall expire.

b. If Subject to paragraph 3.6(1) "c," if a candidate fails a subject, the candidate cannot retake the same failed subject in an examination window. An ~~examination window~~ "examination window" refers to a three-month period in which a candidate has the opportunity to take the examination (comprised of two months when the examination is offered and one month when the examination will not be offered while routine maintenance is performed and the item bank is refreshed). Thus, the candidate will be able to sit for the examination two out of three months within an examination window.

c. If and when the board determines that examination system changes necessary to eliminate examination window limitations have been implemented, paragraph 3.6(1) "b" will no longer be effective and a candidate will be permitted to retake a subject once the candidate's grade for any previous attempt of that same subject has been released.

[Filed 8/12/19, effective 10/16/19]

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EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 9/11/19.